



Building Homes Together

A campaign to strengthen Chittenden County communities

Year 3 Data Results – September, 2019

In 2016, the Building Homes Together (BHT) campaign launched with the support of well over a hundred municipal officials, businesses, nonprofits, Legislators and individuals. The BHT campaign set a target of creating 3,500 new homes in Chittenden County over the next five years, with 20% of them permanently affordable. Those goals translate to 700 new homes per year, with 140 homes affordable.

The average new home construction over the first three years of the campaign is 758 homes/year, exceeding the annual goal. A net total of 620 new homes¹ were added to the County in 2018. This includes 446 multi-family homes, 193 single family homes, 30 accessory dwellings, and 1 boarding home (with 3 bedrooms). Fifty-two homes were demolished, equating to a net gain of 620.

| New Homes Constructed and First Occupied in Chittenden County (all years refined in 2018) ² | | | | | | | | |
|--|------|------|------|------|------|------|------|-------|
| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| 263 | 334 | 645 | 468 | 613 | 587 | 988 | 665* | 620** |

* Does not include a net gain of 304 dorm beds at UVM.

**Does not include 314 student beds within 105 apartments at Champlain College at 194 St. Paul Street.

Unfortunately, the County continues to fall short of the second goal of the campaign—to build 140 affordable homes annually for five years, with only an average of 93 affordable homes per year. In the first year of the campaign (2016) only the number of newly constructed affordable homes were counted. The campaign changed the methodology slightly in 2017 to tell a more complete picture about affordable housing – the change includes capturing inclusionary housing units and homes brought into a permanently affordable portfolio (such as CHT’s shared equity homes). With this methodology and refinements that are done annually, the affordable home count in 2016 is 118; the 2017 count is 76; and the 2018 count is 86. For an average of 93 affordable homes per year, way shy of the 140 per year goal. It is important to note in 2018, Champlain Housing Trust permanently protected naturally occurring affordable housing at Dorset Commons in South Burlington; these 105 homes are not included in the 2018 count as this is an outlier.

Looking forward, 661 apartments are projected to be opened in 2019; and approximately 78% will be market rate³. We don’t have a projection for other home construction, but with 661 apartments the pace is likely to remain strong in comparison to 2010-2015. Included in the 661, are 145 affordable apartments projected for opening in 2019 (Laurentide in Burlington, Garden Apartments in South Burlington and Casavant Overlook in Winooski). These homes will help achieve the affordable goal in 2019; as expected from the Housing Bond. However, the Housing Bond has already been fully allocated for projects and looking further down the road, the projection for new affordable homes still looks to be below the Building Homes Together goal of 140/year.

Indicators still point to an undersupplied market:

Incomes v. Home Costs – Over the last decade, while median household incomes have risen at a modest rate of about 1.2% per year, rent inflation has averaged 2.7% annually; and the median single-family home price has increased by

¹ CCRPC data collection from Chittenden County municipalities on new homes first occupied in 2018. Mobile homes (8) are included in the single-family home category.

² CCRPC data collection from Chittenden County municipalities, 2014-2018 accounts for demolitions. Note: this data is refined each year to account for duplications and clarifications of year occupied.

³ Allen, Brooks & Minor Report, June 2019. A comprehensive semi-annual analysis of the real estate market.



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3.5% annually over the last five years⁴. However, the most recent Allen, Brooks and Minor Report indicates that most landlord participants report little to no rent growth because as new construction provides tenants with more options existing landlords need to stay competitive. The increase in new home construction may be having an impact on existing rental stock and prices, but overall rents and home prices are going up at a faster rate than income. More than half of renters in the County are cost-burdened, paying more than 30% of their income on rent⁵.

Many are Waiting for Housing – Many households are qualified and waiting for affordable housing. As reported in June 2019: Champlain Housing Trust has 893 households on their waitlists; and received nearly 2,500 applications in the last 12 months. Cathedral Square has 837 households on their unduplicated waitlist.

Rental Vacancy Rate – We are still below a healthy rental vacancy rate. The long-term market vacancy rate in Chittenden County is 1.8%⁶. Despite an increased rate in 2015 to 2017; the rate was anemic in 2018 and still is in 2019. Housing experts target a 3 to 5% rate to yield a healthy market for renters and owners alike.

Rental Apartment Vacancy Rate in Chittenden County (Annual Average, except for 2019)⁷

| 2000 | 2005 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|------|------|------|------|------|------|------|------|------|------|------|------|
| 0.7% | 2.0% | 1.6% | 1.2% | 1.3% | 1.5% | 1.3% | 3.0% | 3.3% | 2.6% | 1.8% | 1.8% |

*2019 rate is from July only, not an annual average of the July and December reported rate.

Employees Live Outside of the County - While the number of jobs has remained relatively steady in Chittenden County, there are fewer workers living here now than in 2002. Only 68% of County employees lived here in 2017, down from 75% in 2002, indicating a lack of available, affordable homes within the County⁸. Unfortunately, this data has not been updated by the Census yet. However, this metric improved slightly from 2014 to 2015, and we hope the next update will be positive as well.

Impact is Far Reaching – The shortage of housing has continued to have negative impacts in the region from economic development to public health. Employers continue to identify rents and housing availability as being barriers to economic growth. This is a major hurdle on top of an already challenging shortage of trained and available workforce. Affordable Housing has been identified as one of the top six needs in the community by the UVM Medical Center's 2019 Community Health Needs Assessment⁹.

Notable Accomplishments

Even though the affordability goals of the campaign have not been met over the first three years of the campaign, there has been significant strides on the tools that the campaign called for. State and local policy makers have been working on the housing shortage and affordability issue. The Building Homes Together campaign originally called for a \$70 million investment in affordable housing statewide. A \$37 million Housing for All Revenue Bond was signed into law in June 2017, helping to fund affordable construction housing in Vermont through 2019. In Chittenden County this has resulted in about 250 more units which would not have happened otherwise. Also at the state level, the VT Department

⁴ Allen, Brooks & Minor Report, June 2019. A comprehensive semi-annual analysis of the real estate market.

⁵ American Community Survey, 1-year estimates, 2017.

⁶ Allen, Brooks & Minor Report, June 2019. A comprehensive semi-annual analysis of the real estate market.

⁷ Allen, Brooks & Minor Report, June 2019. A comprehensive semi-annual analysis of the real estate market.

⁸ Longitudinal Employer-Household Dynamics section of the Census Bureau. Last updated in 2017.

⁹ UVM Medical Center's 2019 Community Health Needs Assessment: <https://www.uvmhealth.org/medcenter/pages/about-uvm-medical-center/the-community/needs-assessment.aspx>



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of Housing and Community Development is leading a project to develop guidance and model zoning bylaws to update zoning and other local land use regulations to allow a wider range of housing types¹⁰. Chittenden County municipalities have also been tackling this issue through a wide variety of avenues, including but not limited to:

- Conducted Housing Needs Assessments (Essex, Essex Junction, Hinesburg, South Burlington and Winooski)
- Established Housing Committees (Burlington, Colchester, Hinesburg, Shelburne, South Burlington, Williston and Winooski; and at least one other is being established)
- Increasing density (Burlington, Charlotte, Essex Junction, Jericho, Shelburne, South Burlington, Westford, Williston and Winooski; and many more are considering)
- Relaxed Accessory Dwelling Unit standards (Richmond, Shelburne, Westford and Williston; at least four others are in the process)
- Review Process Improvements (Burlington, Westford, Williston and Winooski)
- Established Local Housing Trust Funds¹¹ (Burlington, Charlotte and South Burlington; at least three others are considering)
- Adopted Inclusionary Zoning Requirements (Burlington, Hinesburg, and South Burlington; at least two others are considering)
- Actively pursued grant funding for housing construction (Burlington, Hinesburg, Shelburne, and South Burlington; at least two others are considering)
- Reduced permit or impact fees (Burlington, Milton, Williston, Hinesburg)
- Received State Designation Providing Act 250 Relief (Burlington, Colchester, Essex Junction, Hinesburg, Westford, Williston, Winooski)
- Participated in Regional Housing Discussions and Peer Learning (Bolton, Burlington, Charlotte, Colchester, Essex, Essex Junction, Hinesburg, Jericho, Milton, Richmond, Shelburne, South Burlington, St. George, Underhill, Westford, Williston and Winooski)
- Housing Retention Requirements (Burlington and South Burlington; at least one other considering)
- Other: Burlington's Housing Action Plan; Williston's affordable housing incentives within the Growth Management Program

Moving forward on the last two years of the campaign, Building Homes Together will build upon these accomplishments and continue to call for action to reach the new construction and affordable home goals.

For more information and to sign on to the Building Homes Together campaign visit:
ecosproject.com/building-homes-together

¹⁰ Zoning for Great Neighborhoods: <https://accd.vermont.gov/content/zoning-for-great-neighborhoods>. Funded by the VT Housing & Conservation Board, AARP-VT, and the Vermont, Green Mountain, and National Association Realtors.

¹¹ IF all Chittenden County municipalities added a penny to the property tax it could amount to approximately \$2 million for housing.